

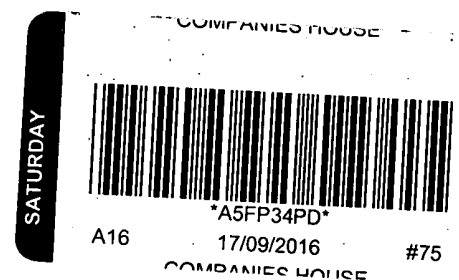
Birchill Investment Co. Limited

Annual report

For the year ended 31 March 2016

Company registration number:

1201437



Birchill Investment Co. Limited

Directors and advisors

Current directors

I Urquhart
F Martinelli

Company secretary

Babcock Corporate Secretaries Limited

Registered office

33 Wigmore Street
London
W1U 1QX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Strategic report for the year ended 31 March 2016

The directors present their Strategic report on the Company for the year ended 31 March 2016.

Principal activities

The principal activity of the Company continues to be that of a investment holding company. The directors do not anticipate any change in the nature of the Company's activities during the financial year

Review of the business

	2016 £	2015 £
Loss for the financial year	(2,022,372)	(982,593)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages [64] to [74] of the annual report of Babcock International Group PLC, which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

By order of the board



I Urquhart
Director

13 September 2016

Directors' report for the year ended 31 March 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2016.

Dividends

Dividends declared and paid during the financial year were £nil (2015: £nil).

Future developments

There are no plans to alter significantly the business of the Company.

Financial risk management

All treasury transactions are carried out only with prime rated counter-parties. Financial Risk is managed in accordance with Group policies and procedures which are discussed on pages 32 to 34 and Note 2 of the annual report of Babcock International Group PLC, which does not form part of this report.

Directors

The directors who held office during the year and up to the date of signing the annual report were as follows:

I Urquhart
F Martinelli

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of the disclosure exemptions, if any, of FRS 101 used in the preparation of these financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Qualifying third party indemnity provisions

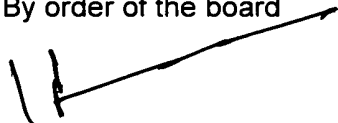
Babcock International Group PLC provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of Babcock International Group PLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

Directors' report for the year ended 31 March 2016 (continued)

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

By order of the board

A handwritten signature in black ink, consisting of a stylized 'I' followed by a horizontal line that slopes upwards to the right, ending in a small arrowhead.

I Urquhart
Director

13 September 2016

Independent auditors' report to the members of Birchill Investment Co. Limited

Report on the financial statements

Our opinion

In our opinion, Birchill Investment Co. Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 March 2016;
- the Income statement and the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Independent auditors' report to the members of Birchill Investment Co. Limited
(continued)

Adequacy of accounting records and information and explanations received

Under the companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland)) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.


Independent auditors' report to the members of Birchill Investment Co. Limited
(continued)

What an audit of financial statements involves *(continued)*

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



John Baker (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

12 September 2016

Birchill Investment Co. Limited**Income statement***For the year ended 31 March 2016*

	Note	2016 £	2015 £
Administrative expenses		-	-
Operating (loss)		-	-
Income from shares in group undertakings		-	-
Loss on ordinary activities before interest and taxation		-	-
Provision for Impairment		(1,713,000)	(638,000)
Finance income	4		
Finance costs	4	(309,372)	(344,593)
Loss on ordinary activities before income tax		(2,022,372)	(982,593)
Income tax expense	5	-	-
Loss for the financial year		(2,022,372)	(982,593)

All of the above results derive from continuing operations.

Statement of comprehensive Income/ (Loss)*For the year ended 31 March 2016*

	Note	2016 £	2015 £
Total comprehensive income (expense) for the year		(2,022,372)	(982,593)

Birchill Investment Co. Limited

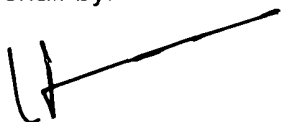
Balance sheet

As at 31 March 2016

	Note	2016 £	2015 £
Non-current assets			
Investments - shares in group undertakings	6	14,123,000	15,836,000
Current assets			
Trade and other receivables	7	30,200,000	30,200,000
Cash and cash equivalents		-	-
		<u>30,200,000</u>	<u>30,200,000</u>
Trade and other payables – amounts falling due within one year	8	(27,939,057)	(27,629,685)
Net current assets		<u>2,260,943</u>	<u>2,570,315</u>
Total assets less current liabilities		<u>16,383,943</u>	<u>18,406,315</u>
Net assets		<u>16,383,943</u>	<u>18,406,315</u>
Equity			
Called up share capital	9	10	10
Share premium			
Retained earnings		<u>16,383,933</u>	<u>18,406,305</u>
Total shareholders' funds		<u>16,383,943</u>	<u>18,406,315</u>

The notes on pages 12- 23 are an integral part of these financial statements.

The financial statements on pages 9-23 were approved by the board of directors and signed on its behalf by:



I Urquhart
Director

13 September 2016

Statement of changes in equity
For the year ended 31 March 2016

	Note	Called-up share capital £	Share premium £	Retained earnings £	Total shareholders' funds £
Balance at 1 April 2014		10	-	19,388,898	19,388,908
Loss for the financial year		-		(982,593)	(982,593)
Other comprehensive income / (loss)		-		-	-
Dividends paid		-		-	-
Balance at 31 March 2015		10	-	18,406,305	18,406,315
Loss for the financial year		-		(2,022,372)	(2,022,372)
Other comprehensive income / (loss)		-		-	-
Dividends paid		-		-	-
Balance at 31 March 2016		10	-	16,383,933	16,383,943

Notes to the financial statements

1 General information

Birchill Investment Co. Limited is a private company which is incorporated and domiciled in the UK. The address of the registered Office is 33 Wigmore Street, London W1U 1QX.

2 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented. The Company has adopted FRS 101 in these financial statements. Details of the transition to FRS 101 are disclosed in note 16.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measure at fair value through profit and loss in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company is a wholly owned subsidiary of Babcock International Group Plc a company incorporated in England and Wales. The Company's ultimate parent company and ultimate controlling party is Babcock International Group PLC. It is included in the consolidated financial statements of Babcock International Group PLC which are publicly available.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share based payments'
- b) IFRS 7, 'Financial instruments: Disclosures'
- c) Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- d) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
 - paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
 - paragraph 73(e) of IAS 16 Property, plant and equipment; and
 - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- e) The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), 10(f), 16, 38, 40, 111, and 134-136
- f) IAS 7, 'Statement of cash flows'
- g) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

- h) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation
- i) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Taxation

(a) Current income tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax is recognised in the income statement except to the extent that it relates to items recognised directly in either other comprehensive income or in equity.

Notes to the financial statements (continued)**3 Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 Finance income and costs

	2016 £	2015 £
Finance income:		
Bank interest	-	-
Loan interest receivable from group undertakings	-	-
	-	-
	2016 £	2015 £
Finance expenses:		
Finance Charge	(309,372)	(344,593)
	(309,372)	(344,593)

Notes to the financial statements (continued)

5 Income tax

Tax expense included in income statement

	2016	2015
	£	£
Current tax:		
UK Corporation tax on profits for the year	-	-
Current tax charge for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax charge / (credit) (note 10)	-	-
Tax on profit on ordinary activities	-	-

Tax expense for the year is higher (2015: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2016 of 20% (2015: 21%). The differences are explained below:

	2016	2015
	£	£
Profit / (loss) on ordinary activities before taxation	(2,022,372)	(982,593)
Profit on ordinary activities multiplied by standard UK corporation tax rate of 20% (2015: 21%)	(404,474)	(206,345)
Effects of:		
Income not subject to tax	-	-
Expenses not deductible for tax purposes	342,600	133,979
Difference between capital allowances and depreciation	-	-
Group relief for nil consideration	61,874	72,366
Other timing differences	-	-
Total tax charge for the year	-	-

In the 2015 Budget, it was announced that the UK corporation tax rate will reduce from 20% to 19% from April 2017. It was further announced in the 2016 Budget that it will be further reduced to 18% from April 2020. As a result of this change, UK deferred tax balances have been re-measured at 18% as this is the tax rate that will apply on reversal.

6 Investments – shares in group undertakings

	2016		2015	
	Shares in group undertakings	Total	Shares in group undertakings	Total
Cost				
At 1 April	15,836,000	15,836,000	16,474,000	16,474,000
Additions	-	-	-	-
Disposals	-	-	-	-
Provisions	(1,713,000)	(1,713,000)	(638,000)	(638,000)
Carrying amount				
At 31 March	14,123,000	14,123,000	15,836,000	15,836,000

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company's directly owned subsidiary undertakings, all of which are wholly-owned, are:

<u>Company</u>	<u>Country of Registration</u>	<u>Principal Activity</u>
Babcock International Limited	Great Britain	Investment Holding 100%

A full list of all subsidiary undertakings has been included in Note 14 Related Undertakings.

7 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Amounts owed by group undertakings	30,200,000	30,200,000
Deferred tax asset	-	-
	30,200,000	30,200,000
Amounts due after more than one year:		
Amounts owed by group undertakings	-	-
	30,200,000	30,200,000

The £30,200,000 (2015: £30,200,000) owed by Group undertakings is non interest bearing and repayable on demand.

Notes to the financial statements (continued)**8 Trade and other payables**

	2016 £	2015 £
Amounts falling due within one year:		
Amounts owed to parent and group undertakings	27,939,057	27,629,685
UK corporation tax payable	-	-
Deferred tax	-	-
	<u>27,939,057</u>	<u>27,629,685</u>

Included in amounts owed to Group undertakings is a loan of £20,500,000 (2015: £20,500,000) repayable on demand and bears interest at UK LIBOR plus one hundred basis points. The remaining £7,439,057 (2015: £7,129,685) is non interest bearing.

9 Called up share capital

	2016 £	2015 £
Allotted and fully paid		
10 ordinary shares of £1 each (2015: 10)	<u>10</u>	<u>10</u>

10 Dividends

Dividends declared and paid were £Nil (2015: £Nil). There are no plans for a final dividend.

11 Contingent liabilities

In addition, the Company at the year-end had joint and several liabilities for drawn bank overdraft facilities of other group companies for the value of £Nil (2015: £Nil).

12 Related party disclosures

The Company has taken advantage of the exemptions within FRS 101 not to disclose transactions and balances with Babcock International Group PLC and its wholly owned subsidiaries, on the grounds that the Company itself is a wholly owned subsidiary of Babcock International Group PLC, for which the consolidated financial statements are publicly available.

Notes to the financial statements (continued)

13 Related undertakings

The Company's directly owned subsidiary undertakings, all of which are wholly-owned unless otherwise stated are listed in note 6; all related undertakings are as follows:

Company Name	Country	Interest	Direct %	Ultimate %
Babcock International Limited	United Kingdom	100,000,000 Ordinary shares, 5,000,000 Preference shares	100.0000000000%	100.0000000000%
Babcock Contractors Limited	United Kingdom	6,700,000 Ordinary shares	100.0000000000%	100.0000000000%
Babcock Nominees Limited	United Kingdom	700,000 Ordinary shares	100.0000000000%	100.0000000000%
Babcock Overseas Investments Limited	United Kingdom	1 Ordinary shares	0.0000306694%	0.0000306694%
Babcock Australia Holdings Pty Ltd	Australia	150,500,100 Ordinary shares	0.0000306694%	100.0000000000%
Babcock (NZ) Limited	New Zealand	2,000,000 Ordinary shares	0.0000306694%	100.0000000000%
Marine Industrial Design Limited	New Zealand	100 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Defence & Security Pty Ltd	Australia	1 Ordinary shares	0.0000306694%	100.0000000000%
Babcock SSD (Australia) Pty Ltd	Australia	50 Ordinary shares	0.0000306694%	100.0000000000%
Bond Helicopters Australia Pty Limited	Australia	28,973,025 Ordinary shares	0.0000306694%	100.0000000000%
INAER Helicopter Australia Pty Ltd	Australia	100,824,631 Ordinary shares	0.0000306694%	100.0000000000%
AUH-Bidco Pty Limited	Australia	335,250 Ordinary shares	0.0000306694%	100.0000000000%
Australian Helicopters Pty Ltd	Australia	200,228 Ordinary shares	0.0000306694%	100.0000000000%
Babcock International Middle East Limited	United Kingdom	100 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Oman LLC	Oman	990,000 Ordinary shares	0.0000303627%	99.0000000000%
Babcock Southern Holdings Limited	United Kingdom	1,438,710,403,785 Ordinary shares	0.0000306694%	100.0000000000%
AirTanker 1 Limited	United Kingdom	8 Ordinary shares	0.0000040893%	13.3333333333%
AirTanker Holdings Limited	United Kingdom	12,000 Ordinary shares	0.0000040893%	13.3333333333%
AirTanker Finance Limited	United Kingdom	50,000 Ordinary shares	0.0000040893%	100.0000000000%
AirTanker Limited	United Kingdom	45,629,001 Ordinary shares	0.0000040893%	100.0000000000%
AirTanker Services Limited	United Kingdom	22,378 Ordinary shares	0.0000068495%	22.3333333333%
Babcock Critical Assets Holdings LLP	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock Defence & Security Holdings LLP	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock Education & Training Holdings LLP	United Kingdom	Holding Company > Subsidiary Company	0.0000021469%	7.0000000000%
Babcock Education Holdings Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000021469%	100.0000000000%
Babcock 4S Limited	United Kingdom	801 Ordinary-A shares	0.0000017196%	80.1000000000%
Babcock Learning and Development Partnership LLP	United Kingdom	Holding Company > Subsidiary Company	0.0000017196%	80.1000000000%
Babcock Careers Guidance Limited	United Kingdom	1,050 Ordinary shares	0.0000021469%	100.0000000000%
Babcock Careers Guidance (North)	United Kingdom	166,000 Ordinary shares	0.0000021469%	100.0000000000%
Careers Yorkshire and the Humber Limited	United Kingdom	Guarantor > Guarantee	0.0000004294%	20.0000000000%
Guidance Services Limited	United Kingdom	2 Ordinary shares	0.0000021469%	100.0000000000%
Babcock Careers Guidance (South) Limited	United Kingdom	51 Ordinary-A shares, 49 Ordinary-B shares	0.0000021469%	100.0000000000%
Capital Careers Limited	United Kingdom	8,825 Ordinary shares	0.0000018946%	88.2500000000%
Babcock Skills Development and Training Limited	United Kingdom	111 Ordinary shares	0.0000021469%	100.0000000000%

Notes to the financial statements (continued)

13. Related undertakings (continued)

Company Name	Country	Interest	Direct %	Ultimate %
HCTC Limited	United Kingdom	17,621,361 Ordinary shares	0.0000021469%	100.0000000000%
KML (UK) Limited	United Kingdom	10,526 Ordinary shares	0.0000020543%	95.6909090909%
Touchstone Learning & Skills Limited	United Kingdom	2 Ordinary shares	0.0000020543%	100.0000000000%
National Training Institute LLC	Oman	350,000 Ordinary shares	0.0000015028%	70.0000000000%
Skills2Learn Ltd	United Kingdom	100 Ordinary shares	0.0000021469%	100.0000000000%
Babcock Environmental Services Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Group International Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Naiad Marine B.V	Netherlands	136,200 Ordinary shares	0.0000306694%	100.0000000000%
Saudi Vosper Thornycroft Company Limited	Saudi Arabia	980 Ordinary shares	0.0000150280%	49.0000000000%
Babcock Project Investments Limited	United Kingdom	5,000,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Emergency Services Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Fire Training (Avonmouth) Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Support Services (Canada) Inc.	Canada	1 Common shares	0.0000306694%	100.0000000000%
Cura Classis Canada (Hold Co) Inc.	Canada	631,200 Common shares	0.0000147213%	48.0000000000%
Cura Classis (Canada) Inc.	Canada	1,315,000 Common shares	0.0000147213%	100.0000000000%
Cura Classis UK (Hold Co) Limited	United Kingdom	178,560 Ordinary shares	0.0000147213%	48.0000000000%
Cura Classis (UK) Limited	United Kingdom	372,000 Ordinary shares	0.0000147213%	100.0000000000%
Learning21 Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%
Babcock2 Limited	United Kingdom	6,000,145 Ordinary shares	0.0000306694%	100.0000000000%
Armstrong Technology Associates Limited	United Kingdom	50,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Defence Systems Limited	United Kingdom	10,000 Ordinary shares	0.0000306694%	100.0000000000%
Chepstow Insurance Limited	Guernsey	600,000 Ordinary shares	0.0001973360%	100.0000000000%
Vosper Thornycroft (UK) Limited	United Kingdom	23,391,575 Ordinary 20p shares	0.0000306694%	100.0000000000%
Babcock Brisco Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Corporate Services Limited	United Kingdom	181,369,248 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Finance Limited	United Kingdom	1 Ordinary shares	0.0000000031%	0.0100000000%
Babcock Airports Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock B.V.	Netherlands	18,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Critical Services Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Chart Services Limited	United Kingdom	6,345,292 Ordinary shares	0.0000306694%	100.0000000000%
Chart Storage & Transportation Limited	United Kingdom	1,108,960 Ordinary shares	0.0000306687%	100.0000000000%
Babcock Investments (Number Eight) Limited	United Kingdom	1 Ordinary shares	0.0000000000%	0.0000165404%
Chart Distribution Services Limited	United Kingdom	2,000 Ordinary shares	0.0000306687%	100.0000000000%
S.MacNeillie & Son Limited	United Kingdom	92 Ordinary-A shares, 108 Ordinary-B shares, 40 Ordinary-C shares, 4 Ordinary-D shares, 1 Ordinary-E shares, 1 Ordinary-F shares	0.0000306694%	100.0000000000%
Transfleet Distribution Limited	United Kingdom	20,000 Ordinary shares	0.0000306694%	100.0000000000%

Birchill Investment Co. Limited

Notes to the financial statements (continued)

13. Related undertakings (continued)

Company Name	Country	Interest	Direct %	Ultimate %
Municipal Vehicle Hire Limited	United Kingdom	100 Ordinary shares	0.0000306694%	100.0000000000%
Transfleet Truck Rentals Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Airwork Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Airwork Advanced Group Company LLC	United Arab Emirates	98,000 Ordinary shares	0.0000150280%	49.0000000000%
Airwork Technical Services & Partners LLC	Oman	127,500 Ordinary shares	0.0000156414%	51.0000000000%
Babcock Aerospace Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock Defence and Security Investments Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
ALC (Superholdco) Limited	United Kingdom	5,000 Ordinary shares	0.0000153347%	50.0000000000%
ALC (FMC) Limited	United Kingdom	1 Ordinary shares	0.0000153347%	100.0000000000%
ALC (Holdco) Limited	United Kingdom	10,000 Ordinary shares	0.0000153347%	100.0000000000%
ALC (SPC) Limited	United Kingdom	10,000 Ordinary shares	0.0000153347%	100.0000000000%
Ascent Flight Training (Holdings) Limited	United Kingdom	799,000 Ordinary shares	0.0000153347%	50.0000000000%
Advanced Jet Training Holdings Limited	United Kingdom	68,000 Ordinary shares	0.0000153347%	100.0000000000%
Advanced Jet Training Limited	United Kingdom	68,000 Ordinary shares	0.0000153347%	100.0000000000%
Ascent Flight Training (Management) Limited	United Kingdom	1,500,000 Ordinary shares	0.0000153347%	100.0000000000%
Ascent Flight Training (Services) Limited	United Kingdom	30,000 Ordinary shares	0.0000153347%	100.0000000000%
Fixed Wing Training Holdings Limited	United Kingdom	1 Ordinary shares	0.0000153347%	100.0000000000%
Fixed Wing Training Limited	United Kingdom	1 Ordinary shares	0.0000153347%	100.0000000000%
Rear Crew Training Holdings Limited	United Kingdom	1,000 Ordinary shares	0.0000153347%	100.0000000000%
Rear Crew Training Limited	United Kingdom	1,000 Ordinary shares	0.0000153347%	100.0000000000%
Defence Integrated Supply Chain Solutions Limited	United Kingdom	2 Ordinary shares	0.0000153347%	50.0000000000%
Holdfast Training Services Limited	United Kingdom	740 Ordinary shares	0.0000226954%	74.0000000000%
Babcock Fire Services Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock Flagship Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Fast Holdings Limited	United Kingdom	54 Ordinary-B shares	0.0000015306%	4.9908000000%
Fast Training Services Limited	United Kingdom	2 Ordinary shares	0.0000015306%	100.0000000000%
Flagship Fire Fighting Training Limited	United Kingdom	100 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Land Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock Land (Whitefleet Management) Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%
Whitefleet Limited	United Kingdom	25,000 Ordinary-B shares	0.0000153347%	50.0000000000%
Babcock Support Services Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Active Management Limited	United Kingdom	100 Ordinary-A shares, 1 Ordinary-B shares	0.0000306694%	100.0000000000%
Air Power International Limited	United Kingdom	93,840 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Dyncorp Limited	United Kingdom	560 Ordinary-A shares	0.0000171749%	56.0000000000%

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Birchill Investment Co. Limited

Notes to the financial statements (continued)

13. Related undertakings (continued)

Company Name	Country	Interest	Direct %	Ultimate %
Babcock HSPS Trustees Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Money Purchase Trustees Limited	United Kingdom	12 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Partners No 2010 Limited	United Kingdom	50,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Support Services s.r.l.	Italy	10,000 Ordinary shares	0.0000306694%	100.0000000000%
Debut Services (Contracts) Limited	United Kingdom	1 Ordinary shares	0.0000027881%	9.0909090909%
Debut Services (South West) Limited	United Kingdom	500 Ordinary shares	0.0000153347%	50.0000000000%
Debut Services Limited	United Kingdom	150 Ordinary shares	0.0000046004%	15.0000000000%
Devonport Management Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Hiberna FM Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Mouchel Babcock Education Investments Limited	United Kingdom	1 Ordinary shares	0.0000153347%	50.0000000000%
Hackney Schools for the Future Limited	United Kingdom	40,000 Ordinary shares	0.0000122678%	80.0000000000%
Mouchel Babcock Education Services Limited	United Kingdom	1 Ordinary shares	0.0000153347%	50.0000000000%
Peterhouse GmbH	Germany	25,600 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Support Services GmbH	Germany	25,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Engine Controls Limited	United Kingdom	7,000,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Engineering Limited	United Kingdom	2,500,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Fire Services (SW) Limited	United Kingdom	50,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Infrastructure Holdings LLP	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock Civil Infrastructure Limited	United Kingdom	Holding Company > Subsidiary Company	0.0000306694%	100.0000000000%
Babcock International Support Services Limited	United Kingdom	26,250,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Careers Management Limited	United Kingdom	43,100 A Ordinary shares, 43,100 B Ordinary shares, 16,300 C Ordinary shares	0.0000306694%	100.0000000000%
Babcock Career Progressions Limited	United Kingdom	1,200 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Lifeskills Limited	United Kingdom	10,000 Ordinary shares	0.0000306694%	100.0000000000%
Surrey Careers Services Limited	United Kingdom	18,613 Ordinary shares	0.0000230283%	75.0857235064%
Sussex Advice and Skills Limited	United Kingdom	Guarantor > Guarantee	0.0000153347%	50.0000000000%
Babcock Education and Skills Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Training Limited	United Kingdom	1 Ordinary shares	0.0000021469%	100.0000000000%
Babcock Project Services Limited	United Kingdom	25,000 Ordinary-A shares, 25,000 Ordinary-B shares	0.0000306694%	100.0000000000%
Babcock Southern Careers Limited	United Kingdom	15,020 Ordinary-A shares, 3,980 Ordinary-B shares, 1,000 Ordinary-C shares	0.0000306694%	100.0000000000%
Babcock Technical Services Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Babcock West Sussex Careers Limited	United Kingdom	80,100 Ordinary-A shares	0.0000245662%	80.1000000000%
Vosper ManTech Limited	United Kingdom	30,000 Ordinary-A shares, 20,000 Ordinary-B shares	0.0000306694%	100.0000000000%
Westminster Education Consultants Limited	United Kingdom	10,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Investments (Fire Services) Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%

Birchill Investment Co. Limited

Notes to the financial statements (continued)

13. Related undertakings (continued)

Company Name	Country	Interest	Direct %	Ultimate %
Babcock Leaseco Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Malta Limited	Jersey	141 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Marine Products Limited	United Kingdom	5,500,000 Ordinary shares	0.0000306694%	100.0000000000%
Form Land Support Limited	United Kingdom	191,287 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Partner No 6 Limited	United Kingdom	45,309,880 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Partner No 7 Limited	United Kingdom	500,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Porchester Limited	United Kingdom	1 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Trustees Limited	United Kingdom	2 Ordinary shares	0.0000306694%	100.0000000000%
Vosper Thornycroft (Malaysia) Sdn Bhd	Malaysia	9 Ordinary shares	0.0000306694%	100.0000000000%
VT Insurance Services Limited	Guernsey	20,999,999 Ordinary shares	0.0000306694%	99.9999952381%
Babcock US Investments Limited	United Kingdom	2,610 Ordinary shares	0.0000306694%	100.0000000000%
Babcock US Investments Inc.	United States	100 Ordinary-A shares, 100 Ordinary-B shares	0.0000306694%	100.0000000000%
Babcock US Investments (Number Two) LLC	United States	100 Ordinary-A shares, 100 Ordinary-B shares	0.0000306694%	100.0000000000%
Babcock Group (US Investments) Limited	United Kingdom	2,000 Ordinary shares	0.0000306694%	100.0000000000%
Babcock International US Inc	United States	1,000 Ordinary shares	0.0000306694%	100.0000000000%
Vosper Thornycroft Controls Inc	United States	1,000 Ordinary shares	0.0000306694%	100.0000000000%
VT Maritime Dynamics, Inc	United States	325,500 Ordinary shares	0.0000306694%	100.0000000000%
Babcock Holdings (USA) Incorporated	United States	5,292 Redeemable Preference shares, 3,712 Common shares	0.0000306694%	100.0000000000%
Babcock Support Services (USA) LLC	United States	1 Ordinary shares	0.0000306694%	100.0000000000%
Context Information Security LLC	United States	50 Ordinary-A shares, 50 Ordinary-B shares	0.0000306694%	100.0000000000%
Cura Classis (US) Hold Co LLC	United States	1 Ordinary shares	0.0000306694%	100.0000000000%
Cura Classis (US) LLC	United States	1 Ordinary shares	0.0000306694%	100.0000000000%
Gibraltar Investments (No. 7) Limited	United Kingdom	1,000 Ordinary shares, 1,000,000 Ordinary-B shares	0.0000306694%	100.0000000000%
Babcock International Guarantee Company	United Kingdom	100,000 Ordinary shares	0.0000306694%	100.0000000000%
Tyneham Investments Limited	United Kingdom	36 Ordinary shares	0.0000081184%	26.4705882353%
Birchill Investment Co. Limited	United Kingdom	8 Ordinary shares	100.0000000000%	80.0000000000%
PHG Insurance Limited	Guernsey	99,999 Ordinary shares	0.0000306691%	99.9990000000%
Babcock UK Finance	United Kingdom	10 Ordinary shares	0.0024723713%	0.0024723713%
Babcock Woodall-Duckham (Overseas) Limited	United Kingdom	108,485 'B' Ordinary shares, 51,515 Ordinary shares, 180,000 6% Cumulative Preference shares	99.9990000000%	99.9990000000%
Babcock-Moxey Limited	United Kingdom	20,447 Ordinary shares	100.0000000000%	100.0000000000%
BMH (2002) Limited	United Kingdom	129,572 Ordinary shares	100.0000000000%	100.0000000000%
Hiberna Contract Services Limited	United Kingdom	8,614,327 Ordinary shares	100.0000000000%	100.0000000000%
Hiberna Limited	United Kingdom	100 Ordinary shares	100.0000000000%	100.0000000000%
St Helen's Securities Limited	United Kingdom	11,361,934 Ordinary shares	100.0000000000%	100.0000000000%
The Stirling Boiler Company Limited	United Kingdom	15,000 Ordinary shares	100.0000000000%	100.0000000000%

Notes to the financial statements (continued)

15 Ultimate parent undertakings

The Company's immediate parent company is Tyneham Investments Limited, a company registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary
Babcock International Group PLC
33 Wigmore Street
London
W1U 1QX

16 Transition to FRS 101

This is the first year that the Company has presented its results under FRS 101. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 101 was 1 April 2014. There was no transitional effect on loss for the financial year, equity or the balance sheet.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1, 'First time adoption of International Financial Reporting Standards'.